



DEBRA BOWEN

CALIFORNIA SECRETARY OF STATE

NEWS RELEASE

DB07:055

FOR IMMEDIATE RELEASE

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Wealth Tax Initiative Enters Circulation

Wealth Tax. Constitutional Amendment and Statute.

SACRAMENTO – Secretary of State Debra Bowen today announced that the proponent of a new initiative may begin collecting petition signatures for his measure.

The Attorney General prepares the legal title and summary that is required to appear on initiative petitions. When the official language is complete, the Attorney General forwards it to the proponent and to the Secretary of State. The Secretary of State then provides calendar deadlines to the proponent and to county elections officials, and the initiative may be circulated for signatures. The Attorney General's official title and summary for this measure is as follows:

WEALTH TAX. CONSTITUTIONAL AMENDMENT AND STATUTE.

Imposes one-time 45% tax on value of property exceeding \$40 million of a California resident or held in California by nonresident. Imposes one-time tax (between 26.5% - 44.3%) on property exceeding \$5 million when resident dies or leaves California. Imposes additional 17.5% tax on total incomes of taxpayers with income greater than \$150,000 if single, \$250,000 if married, increasing to 35% if incomes exceed \$350,000 if single, \$500,000 if married. Creates tax credits. Requires State to acquire majority shares of specified corporations to influence environmental practices. Exempts new revenues from education funding requirements. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: One-time increase in state revenues potentially in the low hundreds of billions of dollars from imposition of a wealth tax, and ongoing increase in state revenues potentially in the billions of dollars from imposition of the tax on certain people dying or leaving the state. This revenue would be allocated to accomplish various goals related to environmental protection. Potential annual net increase in PIT revenues in the tens of billions of dollars annually. The first \$7.5 billion annually would be allocated to the state General Fund with additional revenue allocated for environmental protection. Unknown state and local revenue reductions-potentially in the tens of billions of dollars annually-due to changes in taxpayer behavior. (Initiative 07-0029.)

The Secretary of State's tracking number for this measure is 1266 and the Attorney General's tracking number is 07-0029.

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The proponent for this measure, Paul McCauley, must collect the signatures of 694,354 registered voters – the number equal to 8% of the total votes cast for governor in the 2006 gubernatorial election – in order to qualify the measure for the ballot. The proponent has 150 days to circulate petitions for this measure, meaning the signatures must be collected by January 28, 2008.

The initiative proponent can be reached at (310) 230-5418.

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